weekly economic review

April 26, 2013

Real GDP by Industry

Alberta tops the provinces in real GDP growth in 2012

Real GDP by industry in Alberta grew by 3.9% in 2012, leading all provinces for the second straight year and far outpacing the national average (1.8%). This is in line with the *Budget 2012* forecast and the *Budget 2013* estimate of 3.8% growth.

A major contributor to this growth was the oil and gas extraction industry, which expanded by 6.1%. Growth was also propelled by the construction sector (7.7%), with residential construction and electric power engineering leading the way. Oil and gas engineering construction, Alberta's largest construction sector, grew 6.4%.

Other industries in Alberta also recorded strong GDP growth. The manufacturing industry expanded by 5.3%, driven primarily by increases in fabricated metal products, machinery and wood products. Robust consumer spending fueled a 5.5% expansion in the retail trade industry, led by a jump in vehicle sales. Overall, the service-producing industries grew 3.7%.

Retail Sales

Consumer spending jumps

Alberta retail sales rose sharply for the second month in a row, up by 2.2% to $6.0 billion in February. On a year-over-year basis, retail sales increased by 7.4%, by far the strongest growth among the provinces. The increase was led by higher spending at automobile dealers (15.1%) and at clothing and clothing accessories stores (6.4%). Declines at grocery stores and convenience stores tempered the year-over-year gains.

Canadian retail sales rose 0.8% in February and were up 1.5% on a year-over-year basis.

Average Weekly Earnings

Earnings continue to climb

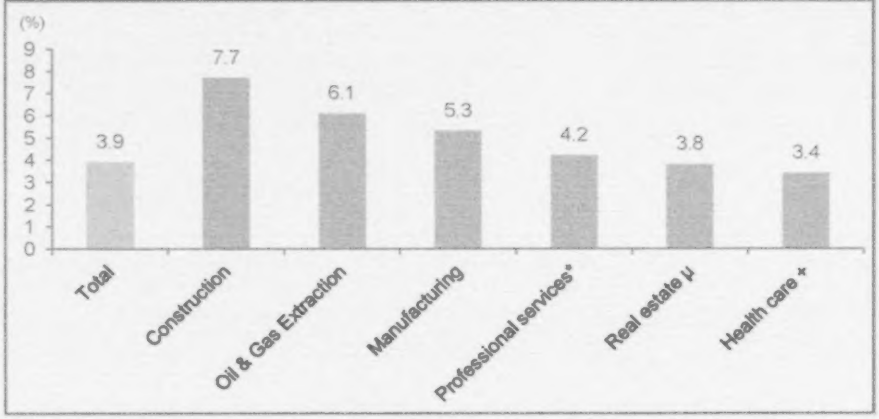
Alberta average weekly earnings increased an impressive 1.5% in February to $1,100 per week. Earnings were 4.5% higher than the same month last year, reflecting gains in the hourly wage rate and average hours worked. Goods producing industries posted the largest year-over-year earnings gains (7.1%), far outpacing the increase in the service sector (3.7%). Nationally, average weekly earnings increased to $909 and were 3.1% higher than February 2012.

US Real GDP

First quarter growth rebounds on stronger household spending

US real GDP increased at an annual rate of 2.5% in the first quarter of 2013, below market expectations, but up from a 0.4% increase in the fourth quarter of 2012. US households were the primary drivers of growth in the first quarter as real consumption expenditures increased at an annual rate of 3.2%. Fiscal restraint continued to weigh on growth. In particular, national defense spending declined by 11.5% in the first quarter after contracting by 22.1% in the fourth quarter of 2012. The rate of decline in defense spending over the last two quarters was greater than in any two consecutive quarters since the Korean War.

2012 Real GDP growth by Industry (Alberta's largest industries)



Source: Statistics Canada;
* Professional, Scientific and Technical Services; µ Real Estate, Rental and Leasing;
\+ Health Care and Social Assistance

Closing Price	April 18, 2013	April 25, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	97.51	98.10	98.07
WTI Oil ($US/bbl)	87.73	93.64	91.82
NYMEX Natural Gas($US/MMBtu)	4.40	4.17	4.14

Alberta Economic Indicators

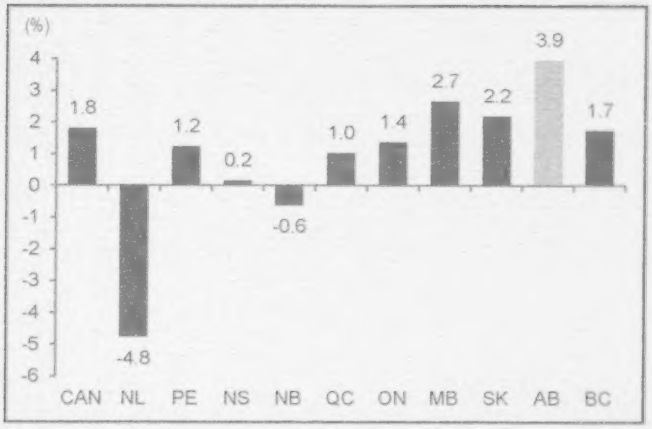
Population	2011	2012	2013YTD	Oct	Nov	Dec	Jan	Feb	Mar
Population (000's)	3,778	3,874	3,931	3,907	..	..	3,931	..	..
y/y % change	1.5	2.5	3.0	2.9	..	..	3.0	..	..
Net Interprovincial Migration[1]	8,443	28,170	25,448	13,915	..	..	11,533	..	..
Net International Migration[1]	16,703	37,990	17,105	10,809	..	..	6,296	..	..
Net Non-permanent Residents[1]	-7,804	9,721	2,813	3,946	..	..	-1,133	..	..
Labour Market									
Employment (000's), SA	2,094	2,150	2,174	2,162	2,170	2,165	2,175	2,178	2,168
y/y % change	3.8	2.7	2.0	1.8	1.9	1.5	1.9	2.5	1.7
Unemployment Rate (%), SA	5.5	4.6	4.6	4.4	4.2	4.5	4.5	4.5	4.6
Participation Rate (%), SA	73.7	73.4	72.8	73.1	73.0	72.9	72.9	72.9	72.6
NEW: Average Weekly Earnings ($), SA	1,035.70	1,072.75	1,091.80	1,090.61	1,091.24	1,095.14	1,083.82	1,099.77	..
y/y % change	4.4	3.6	3.8	4.2	4.4	3.9	3	4.5	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	0.5	0.6	0.6	0.0	-0.5	0.9	1.2
Excluding food and energy	0.8	1.3	1.1	1.2	0.9	1.1	0.8	1.4	1
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	..	..	..	3.0	..	..	..
Farm Product Price Index (y/y % change)	18.0	4.4	..	1.2	2.0	2.7	..	..	..
Crops	19.3	1.9	..	-3.5	-3.0	4.3	..	..	..
Livestock	16.7	6.7	..	0.9	1.3	1.4	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	33.7	33.7	39.9	30.2	30.9	35.3	34.9
y/y % change	-5.1	29.9	8.1	-0.2	32.8	5.5	18.1	10.6	1.4
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.4	1.6	1.7	1.9	2.2	2.6	..
Edmonton	0.9	0.9	0.9	0.8	0.8	1.0	0.9	1.0	..
Calgary	-0.1	1.7	3.8	2.4	2.6	3.1	3.3	4.3	..
MLS Average Resale Prices ($ 000's)	352.7	363.0	376.7	369.5	370.7	372.2	367.6	380.1	382.4
y/y % change	0.5	2.6	5.8	3.9	4.2	5.2	6.6	4.5	6.4
Edmonton ($ 000's)	324.2	332.7	345.2	336.8	343.0	345.9	337.6	344.0	354.0
y/y % change	-0.7	2.6	3.8	2.0	5.3	4.4	1.6	2.8	7.0
Calgary ($ 000's)	401.9	410.8	431.4	421.4	419.3	436.0	422.5	436.7	435.0
y/y % change	1.1	2.2	8.1	3.5	3.1	8.3	12.4	5.7	6.6
NEW: Retail Sales, SA (y/y % change)	6.8	8.9	6.1	4.4	4.2	2.8	4.7	7.4	..
New Motor Vehicle Sales (y/y % change)	9.6	10.6	5.0	9.1	2.6	-0.7	3.6	6.5	..
Consumer Bankruptcies	7,029	5,759	446	489	420	346	446	..	..
y/y % change	-13.8	-17.3	-13.7	5.0	-27.2	-28.4	-13.7	..	..
Business Sector									
Rigs Drilling	286	250	365	236	258	287	368	422	306
y/y % change	30.4	-12.6	8.5	-29.6	21.8	16.6	-8.2	-8.1	-9.4
Goods Exports, customs based (y/y % change)	18.4	1.7	1.2	6.7	-2.8	-13.1	0.5	2.0	..
Energy	19.2	2.0	1.8	8.6	1.4	-16.9	-0.1	4.0	..
Farm, Fishing and Intermediate Food	27.2	20.6	5.2	28.3	6.3	20.0	3.8	6.7	..
Farm Cash Receipts (quarterly, y/y % change)	15.2	15.0 (YTD)	..	..	..	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	18.1	5.5	1.5	1.2	-5.4	-4.0	1.6	1.4	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	5.1	3.9	5.1	3.7	3.6	6.5	..
Building Permits, SA (y/y % change)	11.6	-14.8	22.6	25.0	44.7	5.4	24.7	20.9	..
Residential	5.2	-18.2	15.2	14.5	23.3	2.2	21.2	9.8	..
Non-residential	20.9	10.7	33.7	42.0	78.4	-13.0	30.6	35.9	..
Business Bankruptcies	264	230	10	18	15	16	10	..	..
y/y % change	30.2	-12.9	-50.0	-40.0	-21.1	-11.1	-50.0	..	..

1 Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

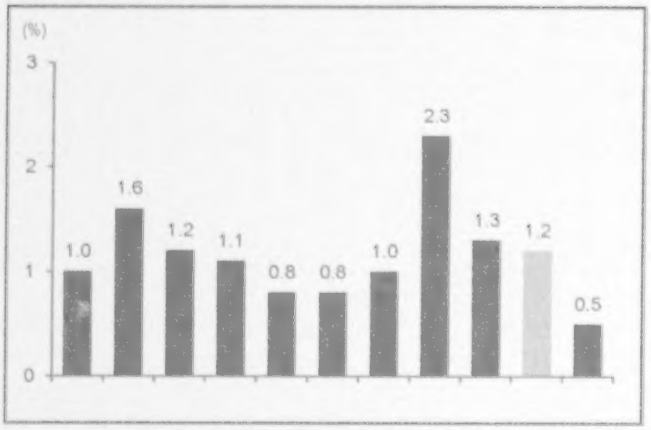
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

Economic Indicators by Province

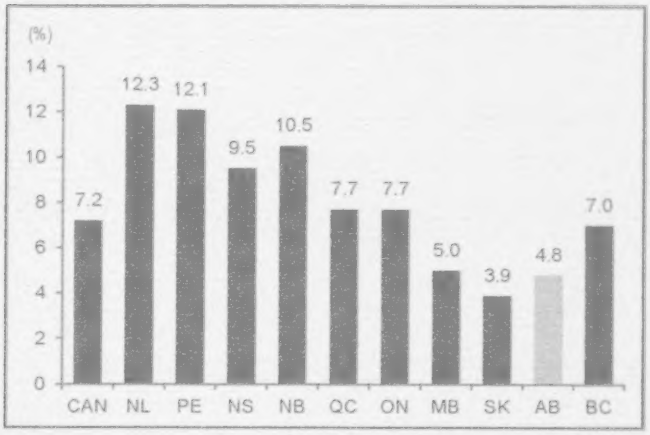
Real GDP by Industry
(2012, year-over-year growth)



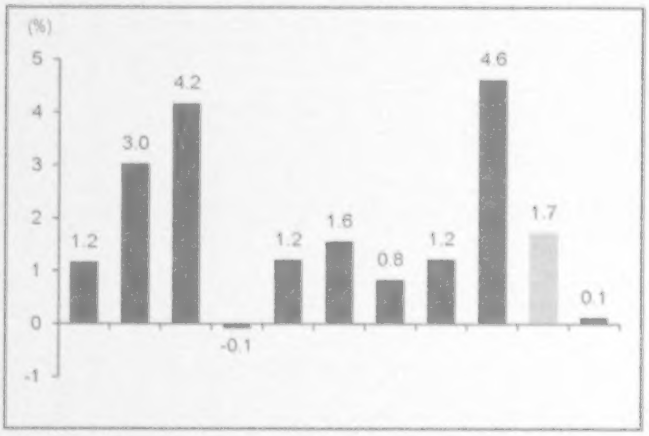
CPI Inflation
(March 2013, year-over-year growth)



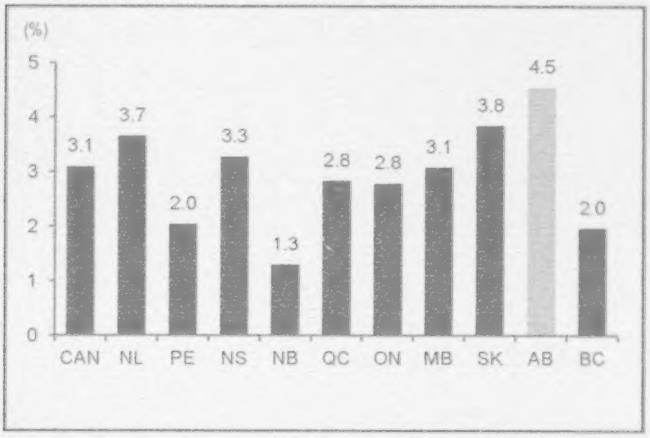
Unemployment Rate
(March 2013)



Employment
(March 2013, year-over-year growth)



Average Weekly Earnings
(February 2013, year-over-year growth)



Housing Starts
(March 2013, SAAR, year-over-year growth)